



Frequently Asked Questions

ELIGIBILITY DETERMINATION

As a homeowner, how do I know if I am eligible to get help?

You are eligible to receive assistance if you meet all of the following criteria:

- You owned and occupied the home as a primary residence prior to August 29, 2005;
- The home is a single-unit or double-unit structure ; and
- You registered for FEMA Individual Assistance and the home was categorized by FEMA as having been destroyed or having suffered major damage.

How do I know if my home was categorized by FEMA as having been destroyed or having suffered major damage?

Homeowners who were approved for \$5,200 or more in FEMA home repair or rebuilding assistance fall into one of these categories.

To determine damage levels for registered homes, in many cases FEMA inspectors will visit homes to conduct damage inspections and will notify homeowners of their assessments. Many other homes will receive no FEMA inspection, but will be included in the major damage or destroyed categories by virtue of their location in neighborhoods determined to have thorough and complete damage through aerial inspections.

In certain cases, FEMA may fail to notify a homeowner that the home has been classified as destroyed or suffering major damage, or FEMA has declared a home with such damage ineligible for its home repair assistance program because the home was covered by insurance. These homeowners will still be eligible for the assistance, though damage severity that meets the FEMA damage classification at the destroyed and major damage levels will be verified through alternative means.

What if the home I owned and occupied had rental units in the same structure?

If they owned the entire structure, owners living in one unit of a multi-family, multi-unit rental property are eligible for either the Homeowner Assistance Program OR the Small Rental Property Repair Program, but not both.

If the homeowner chooses the Homeowner Assistance Program:

- For owners living in one unit of a double-unit home, the full double-unit structure serves as the basis for property valuation and damage assessment, though assistance may not exceed the normal program cap of \$150,000.

- For structures with more than two independent units, property valuation and damage assessment will be based on *only the unit in which the owner resides*. Assistance may not exceed the normal program cap of \$150,000, and the property owner forfeits eligibility for Small Rental Property Repair Program assistance for the rental units in that structure.

If the owner chooses to apply for the Small Rental Property Repair Program, each rental unit in the structure will be eligible for competitive selection for assistance, under the same guidelines and requirements that apply to all rental units receiving assistance through that program.

I am a mobile home owner. What sort of assistance am I eligible for?

In order to qualify for homeowner assistance, you must have also owned the land on which your damaged home was located. If so, you are eligible for the Homeowner Assistance Program under normal guidelines and requirements.

I own two single family houses. Can I receive assistance for both properties?

The Road Home offers assistance for homes that owners occupied as their primary residence. Second homes such as vacation homes are not eligible for assistance.

The plan indicates that eligible homes must have suffered major or severe damage. How is major or severe damage determined?

FEMA makes that determination when providing assistance through its Individual Assistance program. The house must be categorized by FEMA as having been “destroyed” or having suffered “major” damage. Homeowners with major or severe damage would have received a check from FEMA for an amount equal to or greater than \$5,200 to cover home repair costs only. If FEMA did not notify you that your home has been classified as destroyed or suffering major damage, or deemed your house ineligible for financial assistance because your house was covered by insurance, you may still be eligible for assistance through *The Road Home*, though the level of damage to your home must be verified through alternate means to be determined by the State with the private contractor.

How is percentage damage determined?

It is the State’s policy that participants in the Homeowner Assistance Program deserve a fair and independent estimate of projection of damages from the storm, regardless of cause of damage. The State will enlist inspectors, through the private contractor administering the program, to determine the appropriate level of damages to the home. The program also reserves the right to use damage estimates catalogued by FEMA and insurance companies where those estimates are deemed reliable.

What are my options if I believe my current damage assessment is inaccurate?

If a homeowner is not satisfied with their current damage estimate, it is incumbent on the homeowner to document or justify a differing assessment. Alternate assessments may include one or more of the following:

- 1) a local government estimate;
- 2) an insurance estimate;
- 3) a FEMA estimate;
- 4) an estimate from the SBA or other lender; or
- 5) an independent third-party assessment.

The State is in the process of selecting a contractor to administer *The Road Home* program, whose responsibilities will include conducting fair and equitable assessments of damage losses to eligible homes.

If you believe that *the Road Home* grant you receive is based on an inaccurate damage assessment, there will be an appeals process. However, as with any appeals process, there is no guarantee that the damage will be revalued. At this point, we strongly recommend that homeowners maintain all documentation related to damage estimates and repair costs including photos, receipts and repair estimates. They may also want to pursue a third party estimate prior to any reconstruction in case they are unsatisfied with the assessment from the local assessor or *the Road Home* program.

I am able to start repairing my home with insurance proceeds, FEMA payments, and my own money. Am I still eligible for assistance?

Yes. However, the amount of your grant is dependent upon the estimated damage to your home. Before you begin rebuilding, be sure to maintain all relevant documentation including any damage estimates from local assessors, insurance companies or lending institutions. In addition, you should keep careful records of your repair costs and any mitigation costs such as elevations, tie-downs for your roof or shutters.

I have purchased a new home with insurance proceeds, FEMA payments, and my own money. Am I still eligible for assistance?

You are eligible for assistance under the buyout/relocate option if you still own the home that served as your primary residence at the time of the storm and was damaged or destroyed. You must meet all covenants of the program in order to receive assistance.

Some homeowners may have chosen to sell their homes prior to launch of the Homeowner Assistance Program. It is the goal of *The Road Home* to ensure that damaged properties qualifying under the Homeowner Assistance Program do not remain blighted and undeveloped. If the development goals of the program are met for the damaged property, a homeowner that can demonstrate that he or she remains in a loss situation after selling the damaged property to another party may receive assistance under the program to compensate for remaining losses.

If I have bought or have been given a hurricane damaged home, will this housing recovery plan help me repair or rebuild the home that I now own?

Subsequent to the launch of *The Road Home* homeowner assistance program, the State will allow a homeowner who owned the home at the time of the storms to sell his or her home on the open market and to assign rights to program assistance to the new buyer. Assigned grants will require the new buyer to carry the same three-year owner-occupancy requirement and other legally binding terms and conditions that govern the repair and rebuild options. The new owner to whom assistance benefits have been assigned will be eligible only for the repair/rebuild option.

Will any provisions be made for low interest loans or other special assistance for first-responders (police officers, sheriff's deputies, fire fighters, etc) or other city personnel?

First responders and local government personnel, like all residents of damaged areas, are eligible to receive financial assistance to repair, rebuild, relocate or sell, including the soft or low-interest loan portions of assistance. However, no special assistance specifically directed towards local government personnel is planned at this time.

I am a senior citizen who lives alone and cannot afford to rebuild. What assistance is available to me?

Senior citizens are eligible for the same assistance as other homeowners. Seniors can receive incentive grants and loans to repair, rebuild, or relocate, or they may elect to sell the home and move out of Louisiana for the same amount of assistance given to all sellers under this program.

Seniors with low fixed incomes will benefit from the incentive loan portion of assistance, which will give soft or low-interest loan assistance to homeowners that can't qualify for conventional private financing. The loans are specifically designed to meet the needs of those who may not have means to pay the loans necessary to get back into a home.

Are businesses and commercial properties or structures on my property other than my house eligible under this program?

The Road Home is solely a residential real estate program. Several federal and state assistance programs are available to commercial enterprises for help in rebuilding or restarting operations.

What compensation is available for the contents of my home?

Content loss is not covered under *The Road Home*.

How do I know if I should have had flood insurance?

Homeowners living in any area designated as a flood plain by the federal government are expected to have carried some level of flood insurance. FEMA, your local government, or your mortgage lender can tell you if your home was located in a flood plain at the time of the storms.

What funding assistance is available if I was not located in the flood plain and did not purchase flood insurance?

Homeowners whose houses suffered major or severe damage are eligible for assistance through *The Road Home* regardless of the geographic location of and cause of damage to the home. whether they were located in the flood plain or not.

How does the plan assist relatives of homeowners who have died or are suffering from an illness?

In the event that a homeowner has died since the time of the storms, an heir must have been placed into legal possession of the property to be eligible for homeowner assistance in place of the deceased owner. If a homeowner is incapacitated due to illness or infirmity, someone with a right to bind that person legally, which can be provided by power of an attorney, is eligible to apply for assistance on behalf of the homeowner.

If a homeowner dies after receiving assistance from *The Road Home* program, the heir to the residence or the individual who purchases the home must fulfill the remaining term of the three year residence requirement.

What if my house was undergoing renovation and I was living offsite when the hurricane hit? Am I eligible for assistance?

If you were the owner of the house and the house was your primary residence, then you are eligible for assistance through *The Road Home*.

APPLYING FOR AND RECEIVING FUNDS

Is money available immediately through *The Road Home*?

Before the State can distribute any of the money, *The Road Home* plan must be approved by the federal Department of Housing and Urban Development (HUD).

Concurrently, the Louisiana Office of Community Development is leading the effort to get a contractor in place to implement the homeowner assistance program. The timing of this contractor being hired and set up to implement the program will also impact the ability to distribute funds.

Most importantly, the program will not take effect until Congress appropriates the additional \$4.2 billion necessary to fully fund *The Road Home* for all eligible homeowners. The Louisiana Congressional delegation, Governor Blanco and the LRA are working very quickly to prepare the programs for implementation and have the full federal funding approved. Given the outlook in Congress and ongoing discussions with potential contractors, homeowners should begin receiving assistance during late summer.

I am already registered with FEMA and/or SBA as a homeowner with damages. Do I have to register with the State too? Why can't the State get the homeowner's information from FEMA?

Yes, all homeowners intending to apply for funding from *The Road Home* Homeowner Assistance Program must register with the State. The State will make every effort possible to obtain the information you have already provided to FEMA and the SBA in order to reduce duplication of effort.

How can I register with the State for *The Road Home*?

If you are a homeowner, you may register your contact information and the condition of your home immediately by phone by dialing **1-888-ROAD-2-LA**, or online at www.LouisianaRebuilds.info. This is not the formal application process, but is important for the State to reach you as the program is implemented.

Once I have registered with the State, do I just wait for my check to arrive in the mail?

No, you will need to submit an application once the program gets underway. To expedite your receipt of assistance, you should begin to collect all of the documentation that may be necessary to prove ownership and eligibility for the program, including pursuing a clean title.

I would like to purchase or rent another property to live in while we make plans to rebuild. Will there be any provisions for low interest loans for purchasing another property or assistance for renting in the area without doing the buyout of my damaged property?

The Road Home Housing Program does not include any provision to directly support the purchase or rental of a second home or temporary residence.

How do I check the status of my application for assistance?

The application process has not yet begun. If you have registered, you will be contacted when the formal application process begins.

What documentation is required to apply for assistance?

Gather the information and documents you will need to verify your homeownership and eligibility for the program. Some of these items include:

- Contact information
- Photo identification
- Social Security Number
- Ownership/Acquisition deed
- FEMA assistance documentation
- Copies of insurance policies (flood and hazard and any other relevant for structure), including proof of any claims or payouts you're made or received for Katrina or Rita damage
- Satisfactory proof of loss statement from insurer, used to verify claim payments
- Information about pending or anticipated litigation with your insurer
- Information about your mortgage or any other liens on your home
- Information about SBA loans, including anything applied for, but denied

CALCULATING ASSISTANCE

I owned a home that was damaged. How much money can I get?

The amount of money you are eligible to receive depends on the costs to repair your home to meet required building standards. Homeowners may receive assistance in three tiers, a straight incentive grant, a hazard mitigation grant, and an incentive loan, all of which may not exceed \$150,000.

How will the pre-storm value be determined?

Fair methods for determining the pre-storm values of damaged homes will be determined by the State in partnership with the professional services firm chosen to administer the Homeowner Assistance Program. The final method will determine the fair market value by considering automated valuation methods (AVM) employed currently by the real estate industry, the home's assessed value for property tax purposes, insured value, and a value established by a recent pre-storm appraisal.

My home was deemed to have historic value. Will there be additional assistance to cover the costs related to special requirements for repair to historic homes?

Owners of historic homes will be eligible for the same levels of assistance for which all homeowners repairing their homes are eligible.

What construction standards must my new home meet?

All homes built using funds from the Homeowner Assistance Program must comply with the legal requirements under the new State Uniform Construction Code passed by the Louisiana Legislature in the November 2005 Special Session. All repaired or rebuilt homes must also follow other safety regulations, including the latest available FEMA advisory guidance for base flood elevations.

The damage to my home was not properly assessed by FEMA inspectors. What is the appeals process for individuals who did not receive proper assessments of damage from FEMA?

An appeals process will be established by the State with the administering contractor for property owners who feel that their homes were “destroyed” or suffered “major” damage, but were determined by FEMA to have only minor damage and compensated less than \$5,200. FEMA damage assessments are the primary mechanism for determining which homes are *eligible* to receive assistance through *The Road Home* homeowner assistance program, but not for determining the percent damage used in calculating the amount of assistance for homeowners.

I had flood insurance, but my neighbor did not. Are we both entitled to the same amount of assistance?

Assistance is based on the pre-storm value and damage levels to each individual home. Assuming you both owned a home with the same pre-storm value and the same amount of damage and you both lived in the flood plain, your uninsured neighbor's Incentive Grant will be reduced by 30%. If you lived outside the flood plain, you will receive the same amount of assistance, because your neighbor was not expected to have flood insurance.

I purchased flood insurance two weeks before Katrina, but was not insured because the 30 day waiting period had not yet expired. Will I be penalized for not carrying insurance?

If you were in a flood plain and did not have flood insurance at the time of the storms, the amount of the incentive grant that you would otherwise have received will be reduced by 30%. If your insurance had not become effective by the time of the loss incurred during the storm, you will be considered uninsured.

I received insurance payments for both the damage to my home and damage to the contents. Will the program deduct both payments or just the payment for damage to the home?

The insurance payment you received for the damage to your home will be deducted from the cost of eligible repairs to determine the maximum assistance you may receive. The payment you received for the contents is not deducted.

How does receiving an SBA loan affect the amount of assistance I will receive?

What you receive from the Small Business Administration (SBA) has no impact on the value of assistance you receive *The Road Home*. Based on your SBA loan agreement, however, assistance you receive from *The Road Home* may be required to be used to repay any SBA loans.

TYPES OF ASSISTANCE

Do I have to pay back the grant?

The incentive grant will be made to homeowners in exchange for the homeowner's agreement to meet the following conditions:

- The home remains owner-occupied for at least 3 years;
- The home meets the quality standards of the State Uniform Building Construction Code, complies with local zoning, and complies with FEMA guidance related to base flood elevations;
- The homeowner maintains residential hazard insurance and flood insurance if the home was previously flooded or located in a flood zone;
- The homeowner agrees to substitute claims for unpaid and outstanding claims back to the Program;
- The homeowner agrees to move to another home in Louisiana if relocating;
- The homeowner must ensure that mitigation efforts are undertaken when it is cost effective to do so;
- The homeowner agrees to allow the government to clear the property if they sell the property to the State and the house has no historic value or is not salvageable

The requirements apply to any home that is repaired, rebuilt or purchased using program funds. Homeowners that fail to meet all these requirements will be required to repay the financial assistance provided through this program and/or forfeit the property repaired, rebuilt or acquired using program funds.

The cost of repairs looks like they may exceed the amount I will be eligible to receive under the program. How do I pay for the rest of the repairs?

If the cost of repairs exceeds the incentive grant you will receive, you may be eligible for a hazard mitigation grant or a soft or low-interest affordable loan.

The amount of funding assistance you can receive, however, is capped at \$150,000, including the mitigation grant and loan. If repairs exceed the amount of funding assistance you are eligible to receive, then you must use private funds or seek alternative funding assistance through private lenders.

USE OF FUNDS

What can I use the money for?

The funds can be used for the following activities:

- Repair - Incentives will be provided to promote rehabilitation
- Rebuild - Financial incentives will be provided to reconstruct on the same site if repair is infeasible or not economically viable;
- Buyout/Relocate - Purchase of the home by the program in exchange for an agreement to resettle in Louisiana; or
- Sell - Voluntarily sell the home with no requirements to resettle or otherwise remain in the community.

I understand that I can choose to relocate instead of repairing or rebuilding my damaged home. Can I relocate anywhere in Louisiana or to another state?

Homeowners have two options. If you choose to buyout and relocate elsewhere in Louisiana, you are eligible for the same assistance described for homeowners who rebuild. If you choose to sell your home to the State and move to another state, you will receive compensation for 60% of the home's pre-storm value, minus insurance and FEMA repair proceeds, not to exceed what you would otherwise receive through The Road Home for repairs.

If I elect to sell my property to the program, can I buy back that property at a later time at the same price?

As is true with any sale, owners forfeit all claims on a property at sale. No special considerations will be given to previous owners if and when a property is purchased and resold by the program.

Can I accept a buyout if my house is in an area where the government says I cannot rebuild?

Yes, if you are in an area determined by local, state or federal authorities as unsafe for reinvestment, you will receive compensation under the buyout/relocate option of the Homeowner Assistance Program.

If I elect to take the buyout/relocate option, will I be released from all monies owed to the mortgage company?

The homeowner is ultimately responsible for the outstanding principal of their loan. However, for these buyouts to occur, a lien holder may be asked to write off a portion of the current outstanding principal balances of the loan or other lien, and to give consideration to potential lost equity of the homeowner. The State is working with mortgage lenders to rectify the issue of existing liens preventing buyouts.

I received money from my flood insurance policy. How does this affect the amount of assistance I can receive?

The amount assistance you are eligible to receive through *The Road Home* is calculated by deducting any insurance and FEMA repair payments from the level of benefit, regardless of the type of insurance.

What if I was forced to use my insurance payouts to pay off my mortgage and do not have enough money to pay for rebuilding?

By paying off your mortgage, you should have the capacity to acquire a new mortgage for repairing, rebuilding or acquiring a new home. If you are unable to qualify for conventional financing, the incentive loan portion of the Homeowner Assistance Program will be available to supplement the grant portions to cover additional costs of getting back into a home.

Would selling our flooded residence before grants are distributed affect the amount we would receive?

Some homeowners may have chosen to sell their homes prior to launch of the Homeowner Assistance Program. It is the goal of *The Road Home* to ensure that damaged properties qualifying under the Homeowner Assistance Program do not remain blighted and undeveloped. If the development goals of the program are met for the damaged property, a homeowner that can demonstrate that he or she remains in a loss situation after selling the damaged property to another party may receive assistance under the program to compensate for remaining losses.

Would we be able to get credit for money spent on repairs completed prior to the buyout?

Yes, with proper documentation, such as receipts and invoices from contractors who performed the repairs, you are eligible to receive credit for repairs completed prior to the buyout. However, the amount of your grant is dependent upon the estimated damage to your home. Before you begin rebuilding, be sure to maintain all relevant documentation including any damage estimates from local assessors, insurance companies or lending institutions. In addition, you should keep careful records of your repair costs and any mitigation costs such as elevations, tie-downs for your roof or shutters.

What happens if I am unable to reside in my house for the mandated three year period after receiving assistance?

If you must sell the home prior to the expiration of the three year owner occupancy provision, you may satisfy the requirement by legally ensuring that the new owner of the home resides in the home until the three-year timeline is satisfied. It is the goal of the State to promote neighborhood stability by maintaining homeownership among residents.

What happens if I choose to sell my property and move out of state?

Homeowners who choose the sale option will be compensated for 60% of the home's pre-storm value, less insurance and FEMA repair funds, not to exceed the grant they would receive for repairs.

RENTAL PROPERTIES

What funding is available to restore and develop rental properties?

The Road Home Programs are designed to restore the supply of affordable rental housing units throughout the affected areas, rather than provide vouchers to subsidize rental costs for individual tenants.

Several forms of funding are available for restoring and developing rental properties:

- Louisiana has received a special allocation of Low Income Housing Tax Credits that are expected to generate \$1.7 billion of private investment in affordable, mixed-income rental housing. The Louisiana Housing Finance Agency will administer a request for proposals for tax credit incentives.
- The State proposes to allocate \$600 million to supplement the Low Income Housing Tax Credit investments to promote the development of units that are affordable to the returning workforce, families with very limited incomes, and those who are elderly or require special social services.
- The State will allocate approximately \$1 billion to help landlords who owned small properties to repair and rebuild the units and make them available at rent affordable to low income households.

Where do rental properties have to be located to be eligible for assistance?

The State will allocate funds for Workforce and Affordable Rental Programs by formula to ensure that those parishes with the most damaged or destroyed rental housing have adequate resources to replace significant numbers of affordable rental units.

Are rental properties eligible for buyouts?

Under *The Road Home*, only owner-occupied units are eligible for buyout by the State.

Will there be rent level limitations?

Yes, a variety of rent limits will be place on a majority of the rental units receiving assistance to ensure the availability of affordable housing for families of all incomes.

OTHER ISSUES

What assistance will be available at the Homeowner Assistance Centers?

Homeowner Assistance Centers will be the places where homeowners apply for assistance. Homeowners will receive information which will help determine which of the four assistance options—repair, replace, relocate, or sell—are best for them. They can also receive guidance on how to deal with mortgage lenders, and information on accessing professional service and repair contractors. The Homeowner Assistance Centers will provide information about Fair Housing rights and protections against housing discrimination.

Where will the Homeowner Assistance Centers be located?

The location of the Homeowner Assistance Centers is still being determined. Please continue to check www.LouisianaRebuilds.info for a list of Housing Assistance Center locations, when available.

How will properties purchased through The Road Home Homeowner Assistance program be redeveloped?

Properties purchased through *The Road Home* Homeowner Assistance program will be either redeveloped for replacement into commerce or preserved as green space, in a manner which is consistent with local land use plans and direction. Purchased land will not be left to blight and disrepair. The LRA is considering two options for assigning responsibility for management of land assets. Land acquisition, maintenance and redevelopment can be managed by a state agency or a local redevelopment authority. For properties that will become green space as a result of a decision by local authorities, those properties will be transferred to the appropriate local land management agency which will operate and maintain them.

How will changes to The Road Home be communicated to the public?

The LRA will use the www.LouisianaRebuilds.info web site as the main vehicle for communicating changes in *The Road Home* to the public. Please continue to visit this website for the most up-to-date information on *The Road Home*.

Outreach and public education on the program is also one of the primary responsibilities of the private contractor administering *The Road Home*.

What should I do if the mortgage company is going to foreclose on my house?

You are encouraged to work with your lender to establish a forbearance agreement based on the forthcoming assistance you are eligible to receive through *The Road Home* program. Homeowner Assistance Centers will also be available to work with you and your mortgage lender.